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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-first Meeting
Montreal, 18-22 June 2018

PROJECT PROPOSAL: ALBANIA

This document consists of the comments and recommendations of the Secretariat with regard to the following project proposal:

Phase-out

- HCFC phase-out management plan (stage I, fourth tranche) UNIDO and UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Albania

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out management plan (stage I)	UNEP, UNIDO (lead)	64 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2016	3.74 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2017	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					2.99				2.99

(IV) CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	6.0	Starting point for sustained aggregate reductions:	6.0
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	2.1	Remaining:	3.9

(V) BUSINESS PLAN		2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.06	0	0.06	0.12
	Funding (US \$)	9,605	0	9,605	19,210
UNIDO	ODS phase-out (ODP tonnes)	0.2	0	0.15	0.35
	Funding (US \$)	32,700	0	25,070	57,770

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	6.0	6.0	5.4	5.4	5.4	5.4	5.4	3.9	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	6.0	6.0	5.4	5.4	5.4	5.4	5.4	3.9	n/a
Agreed funding (US \$)	UNEP	Project costs	25,000	0	20,000	0	23,000	0	0	8,500	0	8,500	85,000
		Support costs	3,250	0	2,600	0	2,990	0	0	1,105	0	1,105	11,050
	UNIDO	Project costs	45,000	0	92,000	0	40,000	0	0	30,000	0	23,000	230,000
		Support costs	4,050	0	8,280	0	3,600	0	0	2,700	0	2,070	20,700
Funds approved by ExCom (US \$)	Project costs	70,000	0	112,000	0	63,000	0	0					245,000
	Support costs	7,300	0	10,880	0	6,590	0	0					24,770
Total funds requested for approval at this meeting (US \$)	Project costs									38,500			38,500
	Support costs									3,805			3,805

Secretariat's recommendation:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Albania, UNIDO, as lead implementing agency, has submitted a request for funding for the fourth tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$42,305, consisting of US \$30,000, plus agency support costs of US \$2,700 for UNIDO, and US \$8,500, plus agency support costs of US \$1,105 for UNEP.¹ The submission includes a progress report on the implementation of the third tranche and the tranche implementation plan for 2018 and 2019.

Report on HCFC consumption

2. The Government of Albania reported consumption of 3.74 ODP tonnes of HCFC in 2016 and estimated consumption of 2.99 ODP tonnes for 2017, which is 50 per cent below the HCFC baseline for compliance. The 2013–2017 HCFC consumption data are shown in Table 1. Since 2012, HCFC-22 was the only substance consumed in the country and was used solely in the refrigeration servicing sector.

Table 1. HCFC consumption in Albania (2013–2017 Article 7 data)

HCFC	2013	2014	2015	2016	2017*	Baseline
Metric tonnes (mt)						
HCFC-22	103.12	29.90	46.97	67.97	54.35	102.3
HCFC-124	0.00	0.00	0.00	0.00	0.00	0.6
HCFC-142b	0.00	0.00	0.00	0.00	0.00	4.6
Total (mt)	103.12	29.90	46.97	67.97	54.35	107.4
ODP tonnes						
HCFC-22	5.67	1.64	2.58	3.74	2.99	5.70
HCFC-124	0.00	0.00	0.00	0.00	0.00	0.01
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.30
Total (ODP tonnes)	5.67	1.64	2.58	3.74	2.99	6.00

*Country programme data submitted on 23 April 2018.

3. The very low consumption of HCFCs in 2014 was due to the economic crisis; however, imports of HCFCs gradually returned to normal levels between 2015 and 2017. The overall downward trend in consumption is attributable to implementation of the licensing and quota system, activities implemented in the refrigeration servicing sector, and awareness-raising activities promoting the introduction of HCFC alternatives.

Country programme (CP) implementation report

4. The Government of Albania reported HCFC sector consumption data under the CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol.

Progress report on the implementation of the third tranche of the HPMP

Legal framework

5. Albania has established a legal framework to support a licensing and quota system for the control of HCFC imports and exports and it is effectively enforced. The licensing and quota system has been extended to cover HFCs and mixtures containing HFCs.

6. New legislation has been drafted to improve the control of ODS and to provide adequate training and a certification scheme for technicians, in line with the F-gas Regulation of the European Union and the Albanian legal framework. The review of, and consultations on, this draft legislation have been delayed

¹ As per the letter of 20 April 2018 from the Ministry of Tourism and Environment of Albania to UNIDO.

owing to the restructuring of the Government after parliamentary elections. It is expected that the new legislation will enter into force during implementation of the fourth tranche of the HPMP.

Refrigeration servicing sector

7. The following activities have been carried out:
- (a) Preparations for two training sessions for 60 inspectors and enforcement officers on monitoring and control of ODS that are scheduled during the second half of 2018;
 - (b) Training for 25 trainers and 53 technicians in: the certification scheme; good servicing practices; refrigerant recovery, recycling and reclamation; refrigerant containment; and servicing equipment using alternative technologies, including natural refrigerants and HFCs;
 - (c) Revision of the technician certification procedure and upgrading of the curriculum and training materials on technician certification to meet the new requirements following European Union technicians certification criteria;
 - (d) Establishment of a National Certification Commission for servicing technicians and the conduct of awareness activities for stakeholders regarding the certification scheme; and
 - (e) Procurement and distribution of recovery equipment and tool kits to servicing centres (e.g., 18 recovery units; five recovery, recycling and recharging units; ten vacuum pumps; 19 leak detectors; four flaring tools; and various spare parts).

Project implementation and monitoring unit

8. Monitoring and coordination of the activities of the HPMP were undertaken by the national ozone unit (NOU) to ensure efficient implementation.

Level of fund disbursement

9. As of April 2018, of the US \$245,000 approved so far, US \$187,417 had been disbursed (US \$131,967 for UNIDO and US \$55,450 for UNEP), as shown in Table 2. The balance of US \$57,583 will be disbursed in 2018.

Table 2. Financial report on stage I of the HPMP for Albania (US \$)

Tranche		UNIDO	UNEP	Total	Disbursement rate (%)
First	Approved	45,000	25,000	70,000	98.6
	Disbursed	44,011	25,000	69,011	
Second	Approved	92,000	20,000	112,000	94.2
	Disbursed	85,451	20,000	105,451	
Third	Approved	40,000	23,000	63,000	20.6
	Disbursed	2,505	10,450	12,955	
Total	Approved	177,000	68,000	245,000	76.5
	Disbursed	131,967	55,450	187,417	

Implementation plan for the fourth tranche of the HPMP

10. The following activities will be implemented between June 2018 and June 2020:
- (a) Continuation of the review and consultation process in relation to the legislative framework, and subsequent enforcement upon its approval (UNIDO) (US \$5,000);

- (b) Conduct of two workshops and the training of 30 refrigeration servicing technicians in good servicing practices, refrigerant recovery, recycling and reuse (UNEP) (US \$8,500);
- (c) National consultancy to provide technical support and training for servicing technicians to assist with refrigerant recovery, good practices and emission prevention in the refrigeration servicing sector (UNIDO) (US \$15,000); and
- (d) Monitoring and coordination of activities to ensure efficient implementation (UNIDO) (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Progress report on the implementation of the third tranche of the HPMP

Legal framework

11. The Government of Albania has already issued HCFC an import quota of 5.4 ODP tonnes for 2018 in accordance with the Montreal Protocol phase-out schedule.

12. After noting that HCFC consumption in 2017 was only 2.99 ODP tonnes (50 per cent of the baseline), the Secretariat enquired whether a lower import quota could be considered to facilitate further HCFC reduction. UNIDO responded that the Government did not plan to impose a lower quota due to the fact that it would require another legal act. The current priority is to support the adoption of the legal acts for the certification system.

Refrigeration servicing sector

13. In response to the Secretariat's query about the sustainability of the customs training, UNIDO clarified that the NOU is currently working with the General Directorate of Customs to integrate ODS-related issues into the curriculum of the regular, mandatory training for the customs officers as a part of the internal regulations for employees.

14. The phase-out of HCFCs in Albania follows the path adopted in other countries of the region, particularly the European Union. HFCs are the main alternative technologies currently available to replace HCFCs. The reduction in HCFC consumption is achieved through enforcing the licensing and quota system to limit the supply of HCFCs; promotion of refrigerant recovery, reuse, recycling and reclamation operations; and training of technicians in good servicing practices to reduce the demand on HCFC-22 and to improve the performance of the equipment.

Conclusion

15. The Government is enforcing a licensing and quota system for imports and exports of HCFCs and the consumption in the country is below the control target of the Montreal Protocol and that is stipulated in the Agreement with the Executive Committee. Training and basic equipment and tools have been provided to technicians to facilitate good servicing practices and refrigerant recovery in order to reduce the demand for HCFCs. Certification of technicians is being developed to ensure the long-term sustainability of efforts to develop the capacities of servicing technicians. The training of customs officers on ODS related issues is being integrated into regular customs training to ensure sustainability. The level of funding disbursed is above the 20 per cent threshold in the third tranche (20.5 per cent) and stands at 76.5 per cent for the HPMP overall. The progress achieved so far and the activities planned under the fourth tranche will ensure the long-term sustainability of stage I of the HPMP.

RECOMMENDATION

16. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan (HPMP) for Albania; and further recommends blanket approval of the fourth tranche of stage I of the HPMP for Albania, and the corresponding 2018-2019 tranche implementation plan, at the funding levels shown in the table below:

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fourth tranche)	30,000	2,700	UNIDO
(b)	HCFC phase-out management plan (stage I, fourth tranche)	8,500	1,105	UNEP
